

Registre de Commerce et des Sociétés

Numéro RCS : B4513

Référence de dépôt : L160154737

Déposé et enregistré le 10/08/2016

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RCSL Nr. : B4513

Matricule : 1928 2200 026

eCDF entry date : 13/07/2016

BALANCE SHEET

Financial year from ⁰¹ 01/01/2015 to ⁰² 31/12/2015 (in ⁰³ EUR)

CREOS LUXEMBOURG S.A.

2, Boulevard Roosevelt
L-2450 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>801.305.316,00</u>	110 <u>717.333.735,00</u>
I. Intangible fixed assets	1111 _____	111 <u>11.629.404,00</u>	112 <u>6.700.054,00</u>
1. Research and development costs	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 <u>3.799.837,00</u>	116 <u>4.341.459,00</u>
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 <u>3.799.837,00</u>	118 <u>4.341.459,00</u>
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible fixed assets under development	1123 _____	123 <u>7.829.567,00</u>	124 <u>2.358.595,00</u>
II. Tangible fixed assets	1125 _____	125 <u>745.140.483,00</u>	126 <u>667.634.086,00</u>
1. Land and buildings	1127 _____	127 <u>115.103.218,00</u>	128 <u>74.575.591,00</u>
2. Plant and machinery	1129 _____	129 <u>507.173.753,00</u>	130 <u>429.896.222,00</u>

The notes in the annex form an integral part of the annual accounts

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 <u>16.503.674,00</u>	132 <u>5.502.034,00</u>
4. Payments on account and tangible fixed assets under development	1133 _____	133 <u>106.359.838,00</u>	134 <u>157.660.239,00</u>
III. Financial fixed assets	1135 _____	135 <u>44.535.429,00</u>	136 <u>42.999.595,00</u>
1. Shares in affiliated undertakings	1137 _____	137 <u>42.000.000,00</u>	138 <u>42.000.000,00</u>
2. Amounts owed by affiliated undertakings	1139 _____	139 _____	140 _____
3. Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141 _____	141 <u>2.030.834,00</u>	142 <u>530.000,00</u>
4. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 <u>35.000,00</u>	144 _____
5. Securities and other financial instruments held as fixed assets	1145 _____	145 _____	146 _____
6. Loans and claims held as fixed assets	1147 _____	147 _____	148 _____
7. Own shares or own corporate units	1149 _____	149 <u>469.595,00</u>	150 <u>469.595,00</u>
D. Current assets	1151 _____	151 <u>125.391.234,00</u>	152 <u>108.103.653,00</u>
I. Inventories	1153 _____	153 <u>29.431.567,00</u>	154 <u>16.876.044,00</u>
1. Raw materials and consumables	1155 _____	155 <u>6.792.800,00</u>	156 <u>6.015.764,00</u>
2. Work and contracts in progress	1157 _____	157 <u>22.638.767,00</u>	158 <u>10.860.280,00</u>
3. Finished goods and merchandise	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____	163 <u>95.748.551,00</u>	164 <u>91.025.085,00</u>
1. Trade receivables	1165 _____	165 <u>7.567.012,00</u>	166 <u>10.231.101,00</u>
a) becoming due and payable within one year	1167 _____	167 <u>7.567.012,00</u>	168 <u>10.231.101,00</u>
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 <u>60.368.061,00</u>	172 <u>57.716.027,00</u>
a) becoming due and payable within one year	1173 _____	173 <u>60.368.061,00</u>	174 <u>57.716.027,00</u>
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 <u>475.176,00</u>	178 <u>846.230,00</u>
a) becoming due and payable within one year	1179 _____	179 <u>475.176,00</u>	180 <u>846.230,00</u>
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____

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	Reference(s)	Current year	Previous year
4. Other receivables	1183 _____	183 <u>27.338.302,00</u>	184 <u>22.231.727,00</u>
a) becoming due and payable within one year	1185 _____	185 <u>27.338.302,00</u>	186 <u>22.231.727,00</u>
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____
III. Transferable securities and other financial instruments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings and in undertakings with which the undertaking is linked by virtue of participating interests	1191 _____	191 _____	192 _____
2. Own shares or own corporate units	1193 _____	193 _____	194 _____
3. Other transferable securities and other financial instruments	1195 _____	195 _____	196 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197 _____	197 <u>211.116,00</u>	198 <u>202.524,00</u>
E. Prepayments	1199 _____	199 <u>7.696.280,00</u>	200 <u>4.532.841,00</u>
TOTAL (ASSETS)		201 <u>934.392.830,00</u>	202 <u>829.970.229,00</u>

LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 _____	301 <u>643.626.635,00</u>	302 <u>605.404.570,00</u>
I. Subscribed capital	1303 _____	303 <u>198.851.260,00</u>	304 <u>198.851.260,00</u>
II. Share premium and similar premiums	1305 _____	305 <u>189.562.253,00</u>	306 <u>189.562.253,00</u>
III. Revaluation reserves	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>182.240.207,00</u>	310 <u>143.140.207,00</u>
1. Legal reserve	1311 _____	311 <u>19.885.126,00</u>	312 <u>19.885.126,00</u>
2. Reserve for own shares or own corporate units	1313 _____	313 <u>469.595,00</u>	314 <u>469.595,00</u>
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves	1317 _____	317 <u>161.885.486,00</u>	318 <u>122.785.486,00</u>
V. Profit or loss brought forward	1319 _____	319 <u>4.938.296,00</u>	320 <u>6.356.373,00</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>67.855.335,00</u>	322 <u>67.494.477,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
IX. Temporarily not taxable capital gains	1327 _____	327 <u>179.284,00</u>	328 _____
B. Subordinated debts	1329 _____	329 _____	330 _____
1. Convertible loans	1413 _____	413 _____	414 _____
a) becoming due and payable within one year	1415 _____	415 _____	416 _____
b) becoming due and payable after more than one year	1417 _____	417 _____	418 _____
2. Non convertible loans	1419 _____	419 _____	420 _____
a) becoming due and payable within one year	1421 _____	421 _____	422 _____
b) becoming due and payable after more than one year	1423 _____	423 _____	424 _____
C. Provisions	1331 _____	331 <u>42.325.433,00</u>	332 <u>37.995.321,00</u>
1. Provisions for pensions and similar obligations	1333 _____	333 <u>31.098.170,00</u>	334 <u>30.732.979,00</u>
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 <u>11.227.263,00</u>	338 <u>7.262.342,00</u>
D. Non subordinated debts	1339 _____	339 <u>234.187.185,00</u>	340 <u>165.401.386,00</u>
1. Debenture loans	1341 _____	341 _____	342 _____
a) Convertible loans	1343 _____	343 _____	344 _____
i) becoming due and payable within one year	1345 _____	345 _____	346 _____
ii) becoming due and payable after more than one year	1347 _____	347 _____	348 _____

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	Reference(s)	Current year	Previous year
b) Non convertible loans	1349	349	350
i) becoming due and payable within one year	1351	351	352
ii) becoming due and payable after more than one year	1353	353	354
2. Amounts owed to credit institutions	1355	43,00	356
a) becoming due and payable within one year	1357	43,00	358
b) becoming due and payable after more than one year	1359		360
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361	16.589.056,00	362 10.486.294,00
a) becoming due and payable within one year	1363	16.589.056,00	364 10.486.294,00
b) becoming due and payable after more than one year	1365		366
4. Trade creditors	1367	74.770.760,00	368 35.342.002,00
a) becoming due and payable within one year	1369	74.770.760,00	370 35.342.002,00
b) becoming due and payable after more than one year	1371		372
5. Bills of exchange payable	1373		374
a) becoming due and payable within one year	1375		376
b) becoming due and payable after more than one year	1377		378
6. Amounts owed to affiliated undertakings	1379	125.203.135,00	380 107.411.897,00
a) becoming due and payable within one year	1381	35.203.135,00	382 17.411.897,00
b) becoming due and payable after more than one year	1383	90.000.000,00	384 90.000.000,00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	504.844,00	386 316.937,00
a) becoming due and payable within one year	1387	504.844,00	388 316.937,00
b) becoming due and payable after more than one year	1389		390
8. Tax and social security debts	1391	16.055.477,00	392 10.775.975,00
a) Tax debts	1393	13.525.281,00	394 8.241.416,00
b) Social security debts	1395	2.530.196,00	396 2.534.559,00

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	Reference(s)	Current year	Previous year
9. Other creditors	1397 _____	397 <u>1.063.870,00</u>	398 <u>1.068.281,00</u>
a) becoming due and payable within one year	1399 _____	399 <u>1.063.870,00</u>	400 <u>1.068.281,00</u>
b) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
E. Deferred income	1403 _____	403 <u>14.253.577,00</u>	404 <u>21.168.952,00</u>
TOTAL (LIABILITIES)		405 <u>934.392.830,00</u>	406 <u>829.970.229,00</u>

Registre de Commerce et des Sociétés

Numéro RCS : B4513

Référence de dépôt : L160154737

Déposé le 10/08/2016

Annual Accounts as at 31st December 2015
Creos Luxembourg S.A.
Société Anonyme

59-61, rue de Bouillon
L-1248 Luxembourg
R.C.S. Luxembourg : B4513

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Management Report

The framework for the organization of the energy markets has been defined within the 3rd European energy package. Its transposition to the Luxembourgish context is more precisely defined by the Laws on electricity and gas markets dated 7th August 2012.

The main principle is a strict separation between the energy grid infrastructure management and other activities such as production, sale, purchase, trading of energy. Within the Enovos Group, Creos is in charge of the grid activities (planning, building, operating and maintaining gas and power networks).

Regulation and Non-discrimination

Network access is organized and supervised by a regulator, in this case the Luxembourg Institute of Regulation (ILR). The regulator's task in particular is to ensure non-discrimination, effective competition and the efficient operations of the markets. Furthermore for the grid activities, the regulator sets the tariffs which all users of the network have to pay. The six main activities of Creos (which compose more than 95% of its turnover) are all fully regulated activities: transport of electricity (TSO power), transport of gas (TSO gas), distribution of electricity (DSO power), distribution of gas (DSO gas), as well as metering of both electricity and gas.

2015 was the third year of the first regulatory period under the so-called "incentive regulation" which caps the allowed operational expenses of a network operator. Thus the regulatory framework under which Creos operated remained unchanged compared to the previous year (and will remain so until 31.12.2016). Detailed information on the applicable regulation as well as the tariffs approved for Creos can be found on www.ilr.lu.

As required by the law, Creos Luxembourg S.A. has established a programme containing the appropriate measures to exclude any discriminatory practice in the treatment of different network users. The programme and its annual monitoring are published on our Internet site at www.creos.net.

Highlights of the past year

A safe and reliable energy transport and distribution infrastructure is a key element to guarantee the well-being of citizens and the sustainable development of a country's economy. That is why security of supply remains the top priority of Creos and why Creos continues to heavily invest in its power and gas networks in order to be able to meet future energy demand requirements, to accommodate the development of renewable energies and to prepare new sectors such as electro-mobility, distributed storage, etc.

2015 has again been a record year concerning investments for Creos – never before in its history has the company invested so much in its grids and operations. This big investment program, driven mainly by the expansion of the high voltage grid, the deployment of the smart meters and the modernization/renewal of operating sites will continue for the next few years before tapering off towards EUR 100 million at the horizon of 2018.

Besides reinforcing its own national grid, Creos has continued to be very active on the European level by working together with the adjacent TSO's in order to drive forward a regional market integration respectively create new connections between adjacent markets. With these efforts, Creos positions itself clearly within the spirit of the European Directive 2009/73/EC, which aims at getting the Member States to evolve towards creating a barrier-free single market.

Power

The single largest investment item of Creos Luxembourg relates to the construction of a new high voltage line (and the transforming stations connected to it) bypassing Luxembourg-city on the East and creating a new North-South connection within the country. Work on this line and its stations continued in 2015 (installation of transformers, pylons, overhead lines and cables) and is scheduled to be completed in 2016. Together with Elia (the Belgium TSO) and in cooperation with Amprion (the TSO on the German side), Creos continued to work on a new interconnector of the Luxembourg public power grid with Belgium. In the second half of the year, a phase-shift transformer (PST) was installed in Schifflange. Due to on-going discussions on operational parameters of the PST with concerned TSOs at European level, no date for the start of commercial operations of the interconnector has yet been set.

Natural gas

In close collaboration with Luxembourg's regulatory authority (ILR) and Belgium's Regulatory Commission for Electricity and Gas (CREG), Creos Luxembourg and Fluxys Belgium have launched the integrated Belgian-Luxembourgish Gas Market in October 2015. This market integration is the first of its kind between two EU Member States and has received broad media coverage. In order to manage the balancing in the new market area, Creos and Fluxys have established a new jointly owned (50/50) company called Balansys.

Metering

Introduction of smart meters (power and gas) in Luxembourg is mandated by law for all local distribution operators. The legal deadline for complete (i.e. 95%) coverage has been shifted by one year (power meters until 2019, gas meters until 2020). During 2015, the Luxmetering G.I.E. (a common company of Creos with all the other DSOs in Luxembourg) has designed and implemented the common and unique platform for the smart meter read-out. Smart Meter suppliers (for both gas and power) have been selected via a European-wide submission process and first prototypes have been tested. The general mass roll-out is now foreseen starting mid-2016.

Various

Creos is currently in the planning phase for a new headquarter and operational center in the City of Luxembourg (to replace and consolidate its current Hollerich and Strassen sites); in 2015 Creos acquired a plot of land for this project and start of construction is planned for the end of 2016. Creos is also constantly monitoring new technological developments that can be interesting to make its grids more reliable or to reduce the investment needed to prepare its grids for future evolutions – in this context Creos has introduced the “dynamic line rating” technology on a key power transport line and took a participation in the company Ampacimon S.A. which developed this technology.

Financial results of Creos Luxembourg S.A.

Summary of the annual accounts (according to Lux Gaap standards)

Profit and loss account

Net turnover reached EUR 237,292,719 in 2015 (EUR 223,240,338 in 2014). Increase in net turnover (see note 16) is mainly due to the increase of grid sales (following tariff increases applied since January 2015) and of balancing energy sales (with no impact on EBITDA as compensated by purchases for the same amount). Other revenues have decreased due to lower sales to third parties than previous year.

The current operating result (EBITDA) was EUR 125,580,763 in 2015 (EUR 117,310,357 in 2014), mainly as a result of increased revenues.

Profit for the financial year was EUR 67,855,335 (EUR 67,494,477 in 2014). It includes a dividend received from Creos Deutschland of EUR 7,750,032 (EUR 7,750,032 in 2014).

Balance sheet

There has been no change in subscribed capital of the company since the Extraordinary Meeting of Shareholders held on 6 January 2011 which approved the contribution of the gas and electricity networks of the City of Luxembourg to Creos Luxembourg S.A. with the issue of new shares. The subscribed capital amounts to EUR 198,851,260 and the share premium to EUR 189,562,253.

Pursuant to a merger of Communes and according to the company's by-laws and a resolution of the General Assembly dated 8th May 2012, Creos Luxembourg S.A. bought back 5,045 own shares from Schengen municipality for an amount of EUR 469,595 which has been recorded as financial assets. A blocked reserve for the same amount has been provided for according to the law on commercial companies.

Risk Management Objectives and Policies

The main risks the company has to manage are accidents to people (internal and third parties) and network damage in certain climatic events.

Proposed appropriation of net profit

The profit available for appropriation of EUR 77,293,631 includes the net profit for the year of EUR 67,855,335, the reversal of the blocked reserve (wealth tax) of EUR 4,500,000 and the profit brought forward of 4,938,296. The Board of Directors proposes to the Annual Shareholder's Meeting to be held on 10th May 2016 the following appropriation of net profit:

Dividend of 3.50 euros per share*	34.781.313
Allocation to the legal reserve (5% of net profit until 10% of subscribed capital)	0
Allocation to the blocked reserve	16.045.000
Allocation to other reserve	20.000.000
Amount carried forward	6.467.318
	77.293.631

* Number of shares 9 937 518 (total shares issued of 9 942 563 minus 5 045 own shares)

Outlook

Creos Luxembourg S.A. will continue in 2016 and following years to implement a significant plan for investment and maintenance to modernize its networks in order to ensure their safety and reliability. The company will also continue to actively prepare the introduction of “smart” meters and “smart” grids. In 2016 will also start the preparatory works for the Emobility project (installation of loading stations for electrical cars).

Since 1st January 2013, a new “incentive” regulation is in force for a first application period until 2016, according to the ILR regulations E/12/05 (electricity) and E/12/06 (gas) as of 22 March 2012. A public consultation process has been launched end 2015 to adapt these regulations for the second application period which will start in 2017 for 4 years (2017-2020) with 2015 as the reference year. The new ILR regulations should be made public in the beginning of the second quarter 2016 but according to currently available information and documents (see www.ilr.lu), the ILR is of the opinion that a substantial reduction (of more than 180 basis points) of the capital remuneration for grid operators should be applied.

At this stage, the company does not foresee any technical or financial development likely to raise issues on its economic or financial situation.

Change in 2015 in the Board of Directors and Management of Creos Luxembourg S.A.

To replace Mr Romain Becker, who had resigned, and in accordance with article 51 of the consolidated text of the Companies Act dated 10th August 1915, the amending Acts and Article 22.1 of the Statutes, the Board members met on 25th June 2015 to co-opt Mr Claude Seywert onto the Board of Directors as of 1st August 2015, for the outstanding term of his predecessor's mandate. The annual general meeting of shareholders is invited to confirm this provisional nomination, which remains subject to its approval.

The Board of Directors appointed on 25th June 2015 Mr Claude Seywert as Executive Director and CEO as of 1st August 2015, in replacement of Mr Romain Becker, having exercised his entitlement to retire.

To replace Mr Mark Lauwers, who had resigned, and in accordance with article 51 of the consolidated text of the Companies Act dated 10th August 1915, the amending Acts and Article 22.1 of the Statutes, the Board members met on 10th December 2015 to co-opt Mr Eric Bosman onto the Board of Directors, for the outstanding term of his predecessor's mandate. The annual general meeting of shareholders is invited to confirm this provisional nomination, which remains subject to its approval.

At its meeting on 10th December 2015, the Board of Directors approved the proposal submitted by AXA Redilion ManagementCo S.C.A. to appoint Mr Michael Reuther, permanent representative of the Director AXA Redilion ManagementCo S.C.A., as Director of the company (personal mandate). The Board members co-opted Mr Michael Reuther as Director of the company and the annual general meeting of shareholders is invited to confirm this provisional nomination, which remains subject to its approval.

The term of office of Mr Jean Schiltz, representing the municipalities, is set to expire. The Coordination Committee of Municipalities will make a proposal on this subject.

Other changes in 2016

On 7th March 2016, an extraordinary shareholders' meeting of Enovos International S.A. was held as a consequence of the change in the shareholding of Enovos International S.A. Accordingly, MM Manfred Fess and Stephan Kamphues resigned from their office as member of the Board of Directors of Creos Luxembourg as of 7th March 2016.

At its meeting on 10th March 2016, the Board of Directors of Creos Luxembourg co-opted Mrs. Patricia Rix and Mr. Michel Birel as new Board members, both nominations having to be confirmed by the next general meeting of shareholders. Moreover, and as a consequence of the amended shareholder agreement between the new shareholders of the Enovos Group holding company, Article 20.1 of the articles of association of Creos Luxembourg S.A. is expected to be amended in an extraordinary general meeting of shareholders to be held on 10th May 2016, and an additional director is expected to be appointed in that shareholder meeting.

Auditor

The shareholders general Assembly on 12th May 2015 appointed PricewaterhouseCoopers as auditor according to the article 69 of the modified law of 19th December 2002 for the years 2015 and 2016.

Luxembourg, 10th March 2016
The Board of Directors



Audit report

To the Shareholders of
Creos Luxembourg S.A.

Report on the annual accounts

We have audited the accompanying annual accounts of Creos Luxembourg S.A., which comprise the balance sheet as at 31 December 2015, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Creos Luxembourg S.A. as of 31 December 2015, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 10 March 2016

A handwritten signature in blue ink, appearing to read 'Christiane Schaus'.

Christiane Schaus

Notes to the annual accounts

Note 1 – General information

Creos Luxembourg S.A. ("the Company") was incorporated in Luxembourg under the name of Cegedel S.A. on 27th March 1928. The Company is registered under RCS nr. B4513. In the context of the below described operations, the Company has been renamed Creos Luxembourg S.A. in 2009.

Following a business combination in 2009 of the grid activities of Cegedel S.A. and Soteg S.A., the integration of the grid activities of Luxgaz Distribution S.A. in 2010 and the integration of the grid activities of the City of Luxembourg in 2011, the main activities of Creos Luxembourg S.A. are to operate in Luxembourg electricity and gas transport and distribution networks. Creos Luxembourg S.A. holds a 96.88% participation in Creos Deutschland Holding GmbH, which owns a 100% participation in Creos Deutschland GmbH, a result of the merger in 2009 of Saar Ferngas Transport GmbH in Germany with the network activities of Saar Ferngas AG.

The registered office of the Company is established in Luxembourg.

The regulated activities are under the supervision of a Regulator, namely the "Institut Luxembourgeois de Régulation" ("ILR").

Annual accounts

The Company's financial year runs from 1st January to 31st December each year. Creos Luxembourg S.A. accounts are consolidated into the Enovos International S.A. financial statements, forming at once the largest and the smallest body of undertaking of which the Company forms a part as a subsidiary undertaking. Enovos International S.A. is established in 2, Domaine du Schlassgoard, L-4327 Esch-sur-Alzette, Luxembourg. The consolidated accounts are available at this address.

Note 2 – Authorizations

Following the two European directives 2009/72 and 73 of 13th July 2009 concerning common rules for the internal markets in electricity and natural gas, and the laws that transposed these directives into national laws, namely the laws of 7th August 2012 regarding the organization of the electricity and natural gas markets, transport and distribution grid management activities have been legally separated from the other activities of generation and sale of electricity and gas.

Note 3 – Summary of significant accounting policies

Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19th December 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting policies

The main valuation rules applied by the Company are the following:

Foreign currency translation

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Notes to the annual accounts (cont.)

Note 3 – Summary of significant accounting policies (cont.)

Foreign currency translation (cont.)

Cash at bank is translated at the exchange rate effective at the balance sheet date, exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account and the net unrealised exchange gains are not recognised.

Intangible fixed assets

Intangible fixed assets are valued at purchase price including the expenses incidental thereto or at production cost, less cumulated depreciation amounts written off and value adjustments. Where the Company considers that an intangible fixed asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. The depreciation method is straight-line and the duration three years.

Intangible fixed assets under development are valued at cost, based on the direct costs of the Company, and are reviewed annually for impairment.

Tangible fixed assets

Tangible fixed assets are recorded at their acquisition price including the expenses incidental thereto or at production costs. Tangible fixed assets are depreciated over their estimated useful economic lives.

Value adjustments for electricity assets are made in accordance with the following principles:

- Plant and equipment that are part of the grid: depreciation using the declining-balance method based on coefficients equal to double those laid down in Article 30 of the Concession Agreement of 11th November 1927 and in the Agreement of 8th September, 1998 for investments completed before 1990, and to triple for investments completed thereafter.
- Buildings : straight-line depreciation (over 20 years in general for assets part of the grid and over 50 years in general for assets not part of the grid).
- Other equipment, machines and furniture: straight-line depreciation over one year in general.
- Fixed assets contributed by the City of Luxembourg or purchased from Echternach: straight-line depreciation, duration from four to forty years.

Value adjustments for gas assets are made in accordance with the following principles:

- Buildings, plant and equipment contributed by Luxgaz Distribution S.A. and by the City of Luxembourg: straight-line depreciation, duration from four to forty years.
- The tangible assets bought since 2010 by Creos Luxembourg S.A. are depreciated using the declining-balance method, based on coefficients equal to triple to linear and a duration from four to forty years.

When a part of grid assets has to be replaced and cannot be separately identified, no disposal of assets is accounted for and the replaced assets continue to be depreciated with normal rates. This accounting principle has been agreed with the Regulator for the determination of grid tariffs.

Where the Company considers that a tangible fixed asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Tangible fixed assets under development are valued at cost, based on the direct costs of the Company, and are reviewed annually for impairment.

Fixed assets developed by the Company itself

The costs incurred on fixed assets under development created by the Company itself are recorded in the profit and loss account under caption "Fixed assets under development" during the year and are transferred at balance sheet date to the appropriate balance sheet caption.

Notes to the annual accounts (cont.)

Note 3 – Summary of significant accounting policies (cont.)

Financial fixed assets

Shares in affiliated undertakings and participating interests are recorded in the balance sheet at their acquisition cost including the expenses incidental thereto. Amounts owed by affiliated undertakings and amounts owed by undertakings with which the Company is linked by virtue of participating interests are included at their nominal value. In the case of an impairment that the Board of Directors considers as permanent in nature, value adjustments are made in respect to these long-term investments to apply the lower value to be assigned to them at the balance sheet date. These value adjustments are not maintained when the reasons for making them have ceased to exist.

Inventories of raw materials and consumables

Raw materials and consumables are valued at the lower of purchase price calculated on the basis of weighted average cost or market value. Value adjustments are recorded when the estimated realisable value of stocks is lower than the weighted average cost. These value adjustments are not maintained if the reasons for recording them have ceased to exist.

Inventories of finished goods and work and contracts in progress

Finished goods and work and contracts in progress are valued at the lower of production cost including the purchase price of the raw materials and consumables, the costs directly attributable to the product/contract in question and a proportion of the costs indirectly attributable to the product/contract in question, and market value. A value adjustment is recorded where the market value is below the production cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors

Debtors are recorded at their nominal value. Value adjustments are recorded when there is a risk that all or part of the amounts concerned may not be recovered. These value adjustments are not maintained if the reasons for recording them have ceased to exist.

Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

Temporarily not taxable capital gains

Temporarily non-taxable capital gains include gains for which the taxation is deferred by virtue of Article 54 LIR (Income tax law). Such gains, which are rolled over, are recorded at their initial value. Reinvested gains are written off using the same method and over the same period as the assets to which they relate.

Provisions

The aim of provisions is to cover clearly defined charges and liabilities which, on the balance sheet date, are either probable or certain but for which the amount or date of occurrence cannot be determined with certainty. A review is carried out at year-end to determine the provisions to be recorded for the Company's liabilities and charges. Provisions recorded in previous years are reviewed annually and those no longer needed are released.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions for pensions and similar obligations

The Company offers its employees a defined benefit plan and a defined contribution plan.

Defined benefit plan

A defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to the historical evolution of long term interest rates.

Actuarial gains and losses are charged or credited in the profit or loss in the period in which they arise.

Past-service costs are recognized immediately in the profit or loss account.

Notes to the annual accounts (cont.)

Note 3 – Summary of significant accounting policies (cont.)

Provisions for pensions and similar obligations (cont.)

Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions paid are directly registered in the profit and loss during the year they are paid. The commitment of the Company is limited to the contributions that the Company agreed to pay into the fund on behalf of its employees.

Non subordinated debts

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued. All fixed costs related to setting up the facilities are depreciated over the duration of the loan.

Deferred income

This liability item includes income received during the financial year or preceding years but relating to a subsequent financial year.

Net turnover

Net turnover relates to transportation and distribution of electricity and gas provided as well as related activities as part of the Company's ordinary activities, net of discounts, value-added tax and other taxes directly linked to sales.

Other operating income

Other operating income comprises all income only indirectly linked to normal business activities.

Income from financial fixed assets

Dividend income is recorded when dividends are paid.

Note 4 – Intangible fixed assets

Intangible fixed assets comprise IT software licences and IT projects. Movements for the year were as follows:

	IT software licences and projects	Payments on account and intangible fixed assets under development	Total 2015	Total 2014
	€	€	€	€
Gross book value - opening balance	20,579,309	2,358,595	22,937,904	18,046,014
Additions for the year	10,500	7,153,305	7,163,805	2,988,794
Disposals for the year	0	0	0	0
Transfers for the year	1,682,333	(1,682,333)	0	1,903,096
Gross book value - closing balance	22,272,142	7,829,567	30,101,709	22,937,904
Accumulated value adjustments - opening balance	(16,237,850)	0	(16,237,850)	(14,939,806)
Allocations for the year	(2,234,455)	0	(2,234,455)	(1,298,044)
Reversals for the year	0	0	0	0
Accumulated value adjustments - closing balance	(18,472,305)	0	(18,472,305)	(16,237,850)
Net book value - closing balance	3,799,837	7,829,567	11,629,404	6,700,054

Notes to the annual accounts (cont.)

Note 5 – Tangible fixed assets

Movements for the year were as follows:

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Payments on account and tangible fixed assets under development	Total 2015	Total 2014
	€	€	€	€	€	€
Gross book value - opening balance	99,678,659	1,262,464,175	48,448,759	157,660,239	1,568,251,832	1,444,927,211
Additions for the year	24,472,741	5,980,587	2,320,055	101,500,718	134,274,101	127,058,341
Disposals for the year	(127,436)	(58,867)	(120,060)	(242,039)	(548,402)	(1,830,626)
Transfers for the year	19,450,581	120,309,632	12,798,867	(152,559,080)	0	(1,903,094)
Gross book value - closing balance	143,474,545	1,388,695,527	63,447,621	106,359,838	1,701,977,531	1,568,251,832
Accumulated value adjustments - opening balance	(25,103,068)	(832,567,953)	(42,946,725)	0	(900,617,746)	(851,431,006)
Allocations for the year	(3,268,259)	(48,974,367)	(4,117,282)	0	(56,359,908)	(50,721,638)
Reversals for the year	0	20,546	120,060	0	140,606	1,534,898
Transfers for the year	0	0	0	0	0	0
Accumulated value adjustments - closing balance	(28,371,327)	(881,521,774)	(46,943,947)	0	(956,837,048)	(900,617,746)
Net book value - closing balance	115,103,218	507,173,753	16,503,674	106,359,838	745,140,483	667,634,086

In 2015 Creos Luxembourg S.A. sold some land in Grevenmacher for EUR 306,720 (purchase price EUR 127,436). The resulting gain of EUR 179,284 on sale has been, in accordance with the tax law art. 54 LIR, immunized in a specific reserve shown under the caption "Temporarily not taxable capital gain" (see note 11). Furthermore, the company acquired a plot of land from the City of Luxembourg for EUR 24.4 M for the construction of its planned new headquarter and centre. The other additions include mainly investments in the gas and electricity grid.

Note 6 – Financial fixed assets

Movements for the year were as follows:

	Affiliated undertakings		Undertakings with which the undertaking is linked by virtue of participating interests	Own shares or own corporate units	Total 2015	Total 2014
	Shares	Loans	Shares			
	€	€	€	€	€	€
Gross book value - opening balance	42,000,000	0	530,000	469,595	42,999,595	42,999,595
Additions for the year	0	35,000	1,721,025	0	1,756,025	0
Disposals for the year	0	0	(220,191)	0	(220,191)	0
Gross book value - closing balance	42,000,000	35,000	2,030,834	469,595	44,535,429	42,999,595

During the year, the Company completed a number of transactions.

- On 7th May 2015, the Company created Balansys, a joint-venture with Fluxys Belgium NV/S.A., for an amount of EUR 15,500. The purpose of the new company is to facilitate the integration of the Belgian and Luxembourg H-gas market zones into a single zone as well as the further integration of gas markets in Europe.
- During the year, the Company took a stake of 20,78% in Ampacimon S.A., a Belgian company which develops innovative "Dynamic Line Rating" systems for transmission/distribution systems operators, for a purchase price of EUR 1,705,525.

Notes to the annual accounts (cont.)

Note 6 – Financial fixed assets (cont.)

- On 24th June 2015, the extraordinary general meeting of the shareholders of CASC CWE S.A. decided to reduce the share capital of the company and approved the cross border merger between the company and Central Allocation Office GmbH. After the merger, the name of the company is Joint Allocation Office S.A. (JAO S.A.) and the participation of Creos Luxembourg S.A. is reduced from 7.14% to 5%.

The Company holds at least 20 % of the capital in the following undertakings (audited figures):

Company name	Headquarters	Proportion of capital held	Last available financial statements	Shareholders' equity at year-end	Of which profit for the year	Participation net book value 31/12/2015
		%		€	€	€
Creos Deutschland Holding GmbH	Saarbrücken (Germany)	96.88%	31/12/2015	41,857,428	6,616,146	42,000,000
Balansys	Luxembourg (Luxembourg)	50.00%	31/12/2015	31,000	0	15,500
AMPACIMON S.A.	Grâce-Hollogne (Belgium)	20,78%	31/12/2015	2,554,393	277,519	1,705,525

The Company further holds a participation of 16.45% in Learning Factory for a net book value of EUR 100,000.

The Board of Directors is of the opinion that no value adjustments on these investments are necessary.

Note 7 – Trade receivables

Trade receivables relate mainly to revenues from transportation and distribution of electricity and gas.

Note 8 – Amounts owed by affiliated undertakings

The item "Amounts owed by affiliated undertakings" of EUR 60,368,061 (2014: EUR 57,716,027) comprises EUR 22,847,335 (2014: EUR 21,260,225) related to commercial activities with affiliated undertakings.

Creos Luxembourg S.A. has entered into a cash pooling agreement with Enovos International S.A. which, as of 31st December 2015, owed a cash amount of EUR 37,520,725 to the Company (EUR 36,455,802 as at 31st December 2014). This amount is recorded under the caption "Amounts owed by affiliated undertakings". The Company paid an interest rate based on Euribor plus a margin for loans (respectively is paid an interest based on Euribor minus a margin for deposits).

Note 9 – Other receivables

As of 31st December 2015, this caption mainly comprises a receivable of EUR 3,966,248 (2014: EUR 12,761,393) in the context of the mechanism of the "Fonds de compensation", income tax recoverable of EUR 18,628,000 (2014: EUR 5,831,600), and VAT receivable of EUR 4,173,171 (2014: EUR 3,222,789).

Note 10 – Prepayments and deferred income

According to the regulation scheme, the amount of revenues (grid tariffs) deriving from regulated activities is authorised on an annual basis by the Regulator, ILR. The difference between actual and authorised revenues is assessed each year by the Regulator. This difference is considered in the determination of the electricity and gas grid tariffs for subsequent years. In case actual revenues are exceeding revenues as accepted by the ILR, tariffs for subsequent years will be reduced and consequently such negative difference is provided for.

According to the regulation scheme, a cumulated difference (2015 and prior years) is calculated individually for each regulated activity (electricity, gas transport, gas distribution, metering electricity, metering gas) and is provided for, when positive, in the caption Prepayments for an amount of EUR 4,661,885 (2014: EUR 3,514,538) and when negative, in the caption Deferred income for an amount of EUR 13,525,694 (2014: EUR 21,168,952).

Furthermore, Creos Luxembourg S.A. participated early 2013 together with the other grid operators in Luxembourg in the "Luxmetering GIE" to develop an IT platform dedicated to the smart metering system to come. The GIE has no capital and the financial stake of Creos Luxembourg in the GIE corresponds to the ratio number of meters owned by Creos Luxembourg S.A. / number of meters owned by all GIE members and is around 80%. Cash advances of EUR 2,622,376 paid to Luxmetering G.I.E. are posted under the caption "Prepayments" (2014: EUR 745,575).

Notes to the annual accounts (cont.)

Note 10 – Prepayments and deferred income (cont.)

The same caption also comprises prepaid expenses related to rental charges relating to a subsequent financial year for an amount of EUR 92,429 (2014: EUR 92,001).

An amount of EUR 727,882 corresponding to future gas capacity reservation invoiced to Twinerg was recorded in the caption Deferred income.

Note 11 – Capital and reserves

As at 31st December 2015, the Company's subscribed capital was EUR 198,851,260. The capital is fully paid-up and represented by 9,942,563 shares without designation of a nominal value.

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

The movements for the year are as follows:

	31/12/2014	Distribution of dividends	Allocation of previous year's profit	Profit of the year	Other movements		31/12/2015
	€	€	€	€	Increase €	Decrease €	€
Subscribed capital	198,851,260	0	0	0	0	0	198,851,260
Share premium and similar premiums	189,562,253	0	0	0	0	0	189,562,253
Legal reserve	19,885,126	0	0	0	0	0	19,885,126
Reserve for own shares or own corporate units	469,595	0	0	0	0	0	469,595
Other reserves:	122,785,486	0	47,100,000	0	0	(8,000,000)	161,885,486
<i>Other reserve</i>	81,805,486	0	35,000,000 ¹⁾	0	0	0	116,805,486
<i>Blocked reserve</i>	40,980,000	0	12,100,000 ¹⁾	0	0	(8,000,000) ¹⁾	45,080,000
Profit brought forward	6,356,373	0	(9,418,077) ¹⁾	0	8,000,000 ¹⁾	0	4,938,296
Temporarily not taxable capital gains	0	0	0	0	179,284 ²⁾	0	179,284
Result for the financial year	67,494,477	(29,812,554) ¹⁾	(37,681,923) ¹⁾	67,855,335	0	0	67,855,335
Total	605,404,570	(29,812,554)	0	67,855,335	8,179,284	(8,000,000)	643,626,635

1) Decision of the ordinary general meeting of shareholders of 12th May 2015.

The amount allocated to the blocked reserve is equal to five times the amount of the wealth tax credit. The total reserve amounts to EUR 45,080,000, and breaks down as follows: EUR 4,500,000 for 2010, EUR 5,300,000 for 2011, EUR 11,830,000 for 2012, EUR 11,350,000 for 2013 and EUR 12,100,000 for 2014. The amount allocated for 2009, EUR 8,000,000, was released to retained earnings as at 31st December 2015 (Note 15). This reserve is non distributable for a period of five years from the year following that during which the Net Wealth Tax was reduced.

2) Capital gain from the sale of land (see note 5) in 2015.

Note 12 – Provisions

12.1. Provisions for pensions and similar obligations

Under a supplementary pension scheme, Creos Luxembourg S.A. has contracted a defined benefit scheme for staff members who started their employment with the Company before 1st January 2001. The Company is committed to pay a lump sum at the retirement of each employee. The amount reported in the balance sheet is estimated based on the following assumptions:

- retirement age taken into account for financing: 60 years
- yearly discount rate of 4.15%
- estimated wage at time of retirement.

Actuarial profits and losses are immediately recognised in the profit and loss account.

Notes to the annual accounts (cont.)

Note 12 – Provisions (cont.)

In addition, for a defined contribution pension scheme for staff members who joined the Company after 1st January, 2001, the Company pays a contribution to an insurance Company that is recorded under expenses for the year. For 2015, expenses for the pension scheme amount to EUR 775,646 (2014: EUR 722,827).

12.2. Other provisions

The caption “Other provisions” comprises provisions to cover untaken holidays for employees and provisions for regulatory risk for an amount of EUR 7,239,044 (2014: EUR 3,576,279). According to the regulation scheme, the authorised revenue derived from large investment projects can be adjusted based on the actual amounts invested.

Note 13 – Amounts owed to affiliated undertakings

As of 31st December 2015, the Company owed EUR 35,203,135 to affiliated undertakings becoming due and payable within 1 year (2014: EUR 17,411,897), corresponding mainly to the invoicing by Enovos Luxembourg S.A. of the amount due in relation with the “Fonds de compensation” scheme.

On 26th June 2013, Enovos International issued a German Certificate of Indebtness (Schuldschein) of EUR 102 million with a tenor of 7, 10, 12 and 15 years, of which EUR 65 million were lent to the Company at back-to-back conditions. The interest rate charged reflects the costs incurred by Enovos International S.A. to raise the funds in the financial markets. The Schuldschein bears a floating interest rate for the 7 year tenor and a fix interest rate of 2.81%, 3.22% and 3.5% for the 10, 12 and 15 years tenor respectively. The interests for the floating 7 years tenor are paid twice a year in June and December whereas the interests on the fix tenors are paid in June every year. The interests are appropriately provisioned in the accounts. The accrued interest payable as at 31st December 2015 amounts to EUR 752,020 (2014: EUR 716,777).

On 21th November 2014, Enovos International S.A. issued an additional German Certificate of Indebtedness (“Schuldschein”) of EUR 80 million, of which EUR 25 million were lent to Creos Luxembourg at back-to-back conditions. The interest rate charged reflects the costs incurred by Enovos International S.A. to raise the funds in the financial markets. The Schuldschein bears a fixed interest rate for the 7 years of 1.547%, 2.004% for the 10 years and 2.297% for 12 years. The interests on the fixed tenors are paid in November every year.

Note 14 – Staff costs

Staff costs include salaries, social security costs as well as costs for the pension plans. In 2015, the Company had on average 663 employees (2014: 650). The figure in 2015 includes the staff of the City of Luxembourg made available to Creos Luxembourg S.A. (110 employees), the costs of which are shown under wages and salaries for EUR 10,610,664 (2014: EUR 11,019,164).

Note 15 – Income tax

Creos Luxembourg S.A. is subject to all taxes applicable to Luxembourg companies and the tax provisions have been provided in accordance with the relevant laws. In accordance with paragraph 8a of the Law dated 16th October, 1934 as amended, Creos Luxembourg S.A. will opt for the reduction of the net wealth tax due for the year 2014 by setting up a special reserve equal to five times the amount of the net wealth tax reduced (see note 11). As of 31st December 2015, tax debts cover principally preceding years from 2012 to 2015. For 2012 to 2015, an amount of EUR 18,628,000 is recorded in other receivables (see note 9).

Notes to the annual accounts (cont.)

Note 16 – Net turnover

Net turnover for the year 2015 breaks down as follows:

	2015	2014
	€	€
Sales grid power	153,100,325	138,707,755
Sales grid gas	42,674,101	41,748,293
Metering revenues	18,735,765	16,356,453
Energy sales power (equilibrium)	3,246,598	1,804,316
Other revenues	19,535,930	24,623,521
Total	237,292,719	223,240,338

Energy sales power (Equilibrium) are the differences between nominations made by suppliers and their actual purchases. This difference which can be a cost (or a revenue) for the Company is re-invoiced (or credited) to the suppliers.

Note 17 – Fixed assets under development

The caption “Fixed assets under development” accounts for capitalised transport costs, overheads and hours worked by employees on projects activated by the Company.

Note 18 – Income from financial fixed assets

This caption includes the dividends paid by Creos Deutschland GmbH for an amount of EUR 7,750,032 (2014: EUR 7,750,032).

Note 19 – Remuneration paid to members of the administration and supervisory bodies

Remuneration paid to members of the administration and supervisory bodies totalled EUR 706,000 (2014: EUR 768,000). No advance or loan was granted to members of the administration and supervisory bodies, nor was any commitment given on their behalf in respect of any form of guarantee.

Note 20 – Related parties transactions

During the financial year, the Company did not conclude any significant transactions with related parties which were not done at market conditions.

Note 21 – Off balance sheet commitments

The Company has issued bank guarantees in the context of its regular business for a total amount of EUR 1,000,992 (2014: EUR 1,000,000).

Note 22 – Post-balance sheet events

No major post balance-sheet event has occurred affecting the 2015 accounts.

EXTRAIT DU PROCÈS-VERBAL DE L'ASSEMBLÉE GÉNÉRALE ORDINAIRE DU 10 MAI 2016

L'an deux mille seize, le 10 mai à 09 h 30, au siège administratif de la société, rue Thomas Edison 2 à Strassen, les actionnaires et les administrateurs de Creos Luxembourg S.A. se sont réunis en assemblée générale ordinaire.

Une feuille de présence des actionnaires ainsi qu'une feuille de présence des administrateurs ont été dressées et signées par tous les actionnaires présents ou représentés respectivement par tous les administrateurs présents.

L'assemblée est présidée par Monsieur Mario GROTZ, président du conseil d'administration.

Madame Tatiana LANNERS est désignée comme secrétaire.

Sur proposition du président, l'assemblée générale élit Madame Sandra MATHES et Monsieur Jean SCHILTZ comme scrutateurs.

Le président constate que 23 actionnaires, représentant 9.816.438 actions sur les 9.937.518 actions émises par la société ayant droit de vote (hors actions détenues en propre), sont présents ou représentés. Toutes ces actions sont admises aux différents votes.

Le président déclare que - toutes les actions étant nominatives - les convocations à la présente assemblée ont été faites uniquement par lettres recommandées, dans les délais prescrits par les statuts.

Le président dépose sur le bureau, à la disposition des actionnaires, un exemplaire de la lettre missive qui a été adressée dans les délais statutaires aux actionnaires nominatifs, ainsi que le rapport du réviseur d'entreprises.

Le président constate en conséquence que l'assemblée a été régulièrement convoquée et qu'elle est valablement constituée pour délibérer sur les objets portés à son ordre du jour, à savoir:

- 1) Rapport de gestion du conseil d'administration sur l'évolution des affaires en 2015 et la situation de la société
- 2) Rapport du réviseur d'entreprises sur les comptes annuels de l'exercice clôturé au 31 décembre 2015
- 3) Approbation des comptes annuels au 31 décembre 2015
- 4) Affectation du résultat
- 5) Décharge à donner aux administrateurs
- 6) Nominations statutaires
- 7) Autorisation pour la société d'acquérir ses propres actions
- 8) Divers

Point 3 de l'ordre du jour: Approbation des comptes annuels au 31 décembre 2015

Première Résolution

L'assemblée générale, après avoir entendu la lecture des rapports du conseil d'administration et du réviseur d'entreprises, approuve les comptes annuels arrêtés au 31 décembre 2015, tels qu'ils ont été présentés.

Cette résolution est adoptée à l'unanimité des voix.

Point 4 de l'ordre du jour: Affectation du résultat

Deuxième Résolution

L'assemblée générale approuve l'affectation du résultat telle qu'elle a été proposée par le conseil d'administration et décide la distribution d'un dividende brut de 3,50 euros par action, soit un montant total de 34.781.313 euros. La date de paiement est fixée au 27 mai 2016.

Cette résolution est adoptée à l'unanimité des voix.

Troisième Résolution

L'assemblée générale décide de doter la réserve indisponible d'un montant correspondant au quintuple de l'impôt sur la fortune imputé suivant les conditions du paragraphe 8a "IF", soit 16.045.000 euros, et de maintenir cette réserve au bilan pendant les cinq années d'imposition qui suivent l'année de l'imputation.

Cette résolution est adoptée à l'unanimité des voix.

Quatrième Résolution

L'assemblée générale décide de doter les autres réserves d'un montant de 20.000.000 euros.

Cette résolution est adoptée à l'unanimité des voix.

Strassen, le 20 mai 2016



Claude SEYWERT
Administrateur délégué